18-1896

Previous references.

File No. 100 of 96

1904-5

Serial Nos. 1 to 6

(Banking)

Later references.

B-33 of 04.

B-48 of 04.

B April 05-Sl Nos 14 & 18 File 33 of 04

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 28, 30, 32, 33, 34 & 35

Part B. for January

SUBJECT.

FILE No. 100—96 of 1904-05

Saklespur Agricultural Bank.

28 From the Deputy Commissioner, Hassan District, No. 11—Ag. B., dated 6th June 1904.
Submits for orders of Government an extract from the proceedings of a meeting of the Saklespur Agricultural Bank, praying that the conversion of 2nd and 3rd class loans into 1st class may be permitted without the assent of the original sureties.

30 To the Deputy Commissioner, Hassan District, Government Order No. Fl. 695—B. 100-96, dated the 1st August 1904.
Directs the Deputy Commissioner to report at an early date the action taken by him *in re* the conversion of the 2nd and 3rd class loans into 1st class without the assent of the original sureties.

32 From the Deputy Commissioner, Hassan District, No. 3—Ag. B., dated the 29th August 1904.
Submits further particulars concerning the conversion of the 2nd and 3rd class loans referred to above together with a memo of inspection of the Agricultural Bank at Saklespur.

33 Telegram, dated the 5th October 1904, to the Deputy Commissioner, Hassan District.
Requests him to send details of valuation of all lands hypothecated to Saklespur Bank.

34 From the Deputy Commissioner, Hassan District, D. O., dated 9th October 1904.
Encloses a statement showing Mr. Pilkington's present valuation of the properties hypothecated to the Saklespur Agricultural Bank.

35 To the Deputy Commissioners of Hassan and Kadur, the Revenue Commissioner, and the Comptroller, No. Fl. 4218-21—B. 33-04-11, dated the 6th January 1905.
Considers that in the case of the Saklespur and Chikmagalur Coffee Banks, individual liability should be substituted instead of the present joint liability and that, as a preliminary to dealing with the members individually, the Deputy Commissioners of Hassan and Kadur should take action for winding up these Banks under Article 75 of the Rules of Association; and lays down certain broad principles to be observed in dealing with the estates individually, as shown in the two appended lists, by the Deputy Commissioners, who may however report to Government if in any of these cases they prefer re-consideration taking any other course.

Banking File 33 of 1904.
Banking File 48 of 1904. B. January 1905.

G.R.S. 11] 1904.

GENERAL AND REVENUE SECRETARIAT.

(Banking.)

Bkg. 18-1896

R2

NOTES.

File No. 100-96

FILE HEADING.

Grant of Rs. 50,000 per annum to the Hassan Dt/ for advancing money to the Saklespur Agricultural Bank.

From

The Deputy Commissioner, Hassan Dt.

No. 11-Ag.B. Dated 6-6-04 Received 9-6-04.

Diary No. H. 2162.	Enclos. 1	Spare Copies. Nil	Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Submitting for orders of Govt. an extract from the proceedings of a meeting of the Saklespur Agl. Bank, praying that the Conversion of 2nd & 3rd class loans into 1st class may be permitted without the assent of the original Sureties.

NOTES AND ORDERS.

X.

A Grant of Rs. 50,000 was sanctioned, under certain conditions, to the Hassan District, in G.O. No. R. 2407-10 — R.F. 100-96 dated the 28th November 1902, for advancing money on account of working expenses

NOTES—First sheet.

MGCPB—5,000—18-5-04

G.R.S. 12]

General and Revenue Secretariat.

File No. 100 of 1896

Serial No.

of the estates mortgaged to the Saklespur Agricultural Bank.

Para 2 of the additional arrangements sanctioned for the Saklespur Agricultural Bank, in the above named order, allows the Bank to permit its members to convert the existing 2nd class and 3rd class loans to 1st class ones, on the (original) Sureties assenting to join as such in the execution of deeds.

In the present case, since some members have died and another has resigned his membership, the conversion referred to could not be effected. The D.C. Commr solicits orders of Govt, as to the conversion being effected without the assent of the original Sureties.

Submitted for orders to the Secretary.

Paid - vide 57 ora 5.7.04.

Submitted to the

NOTE.—Contd. sheet.

MGCPB—10,000—19-4-04

General and Revenue Secretariat.

File No. 100 of 1896-7.

Serial No.

Devan Sahib for orders.

6.7.1904

103
6-7-04

494

My report has been received long after the 25th of June and even then it is unintelligible and in complete form. As I understand it is intended to enhance the 7½ debt - that is to say the debt issued on the security of land, by the addition of other kinds of bonds which have been secured by personal securities of other persons - the fact of course is that the value of the secured lands should be sufficient to bear this additional burden. The Govt must personally assume liability on the bonds - and if the landed security is deemed sufficient the consent ought to be withdrawn - if not the bonds on which securities should not be released - and if there is any risk in enhancing these bonds action must be taken to recover the amount at once.

21.VII.04

Draft II

Draft according

23.7.1904

23/7/04

Draft order submitted to the Secy

Draft passed

Paid 25/7/04

26/7/04

26.7.1904

25/7/04

NOTE—Contn. sheet.

MGCPB—10,000—19-4-04

General and Revenue Secretariat.

File No. 100 of 1896-7

Serial No. 2

To The Dy Commr, Hassan Dt. No. H. 659 B. 100-86. dy 1st August 04.

Directs the Dy Commr to report at an early date the action taken by him in re the conversion of 2nd & 3rd class loans into 1st class, without the assent of the original sureties in the Agricultural Bank at Saklespur

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3. From the Dy Commr of the Hassan Dt. No. 3 Ag.B dy the 29th August 1904.

Submits further particulars re the conversion of the loans referred to above, together with a report on the inspection of the Agricultural Bank at Saklespur.

With reference to the points raised by the Govt order (Ll no. 2) viz: (1) whether the value of the secured lands is sufficient to bear the additional burden, and (2) whether there is any risk in continuing the loan in which case action must be taken to

NOTE—Contn. sheet.

MGCPB—10,000—19-4-04

General and Revenue Secretariat.

File No. 100 of 1896

Serial No.

recover the whole loan amount at once, the Dy Commr replies in the paper under disposal that (1) the value of the hypothecated lands will barely suffice to meet the total of the 1st class loans with interest thereon and obviously cannot admit of the additional burden of the 2nd and 3rd class loans, and that the hold on the other securities will be of little avail for the recovery of the loans and (2) that there is risk in continuing these loans and hence it is a question for consideration for Govt whether the whole loan advanced to the Bank may be recovered under Nos. 74 & 75 of the Articles of Assn.

Orders are solicited as to ~~from to be necessary~~ whether the report on the inspection of the Bank may be received.*

Key 7

* The file re certain observations of the Dewan on the 4th Banks at Sakleshpur & Chikmagalur is also put up.

4/4 It is reported that the affairs of the Bank have not improved since the last inspection. All the members

3-9-97

MGCPB—10,000—19-4-05

General and Revenue Secretariat.

File No. 100 of 1896-7.

Serial No.

including the Office bearers are defaulters. Renewals have been given without discrimination. The Bank has neither recd. the interest due (or) nor paid to Govt the interest due by it. Since January 1901. The members owe to the Bank in all Rs 5.04.400-11-8. The 1st Class loan amounts to 3.43355-8-0. The property mortgaged on account of this loan was Valued at- Rs 10.73.675 in 1900 and this now Valued at (1904) only Rs 3.83.151-13-5. Rs 23.284 were advanced for the working expenses of the Estates from April 03 to March 04 and the amount realized by the sale of the produce, after paying the Assessment on the Estates is only Rs 9040. Under these Circumstances the Dy Coll. says there is risk in Continuing the loan and solicits orders of Govt. if the entire loan may be recovered at once.

Subd. to the Secy for orders.

I think the Dy. Collr is right.
519/04

Submitted to the Diwan Saheb.

I am of humble opinion that there is little chance of the bank making good the large sum advanced. This is altogether a bad business like the Chickmagalur bank. (BE) 6.5.1904

Note—Contn. sheet.

1441
7.9.04

MGCPB—10,000—19-4-04.

G.R.S. 12]

7

General and Revenue Secretariat.

File No. 100 of 1896-7

Serial No.

1938

This is a very important matter
Please see an enforcing of
the Tonic.
7. IX. 04

Rec'd 1909

Transfer to the Registrar for the purpose
S. S. 1904
Sept. 1910

Note—Contn.-sheet.

MGCPB—10 000—19-5-04

P.T.O.

General and Revenue Secretariat.

File No. of 190

Serial No.

The objects of the Institute shall be promoted by adopting any certain measures to ensure the amount advanced to planters will be spent to ensure the full amount sent the owners of the property mortgaged will be reduced to poverty. It is within the experience of every Coffee planter that during the depressed condition of the Coffee market the wishes of the estate not to spend of the liquidation of the debt if the property is encumbered; presents a most difficult problem

Note—Contn. sheet.

MGCPB-10 000—19-5-01

General and Revenue Secretariat. | File No. of 190

Serial No.

to value. Economical management must close personal supervision will always cause the owners from indebtedness or if they are already indebted from misfortune. Further advances for the upkeep of the property will not secure any satisfactory effect and the result only tend to demoralize the owners without any beneficial effect on the estate. Such expenditure has always no good results. In my mind the only course open to us is to hand the mortgaged individual responsibility for the same to the extent

NOTE—Contn. sheet.

MGCPB- 10 000—13-5-04

General and Revenue Secretariat. | File No. of 190

Serial No.

they are indebted to the Bank and secures the amount by way of instalments. By such an arrangement the Bank will save the necessity of disposing of the property at once at a great sacrifice. The permission may be granted to mortgage their crop upon receiving money for the upkeep of the estate. Their endeavour to attempts in this direction is not attended with success is grounded to some extent judging from my knowledge of Coorg

Note—Contn. sheet.

MGCPB—10 000—13-5-04

General and Revenue Secretariat.

File No. of 190

Serial No.

Volunteers, no respectable firm. Whether English or Native advances money on the mortgage of the Landed property, (I mean, the Coffee estate) land or crops. This point may be rectified & all the statistics from districts as per "A" Volunteers other than those connected with the Banks are concerned. The Sinhalese appear to me to be that all the members demands come through & send-Tamils & Europeans any loan outside the limits as they can get help from Government for the mere asking. The principle of self help the

NOTE—Contn. sheet.

MGCPB - 10 000—19-5-01

G.R.S. 12]

General and Revenue Secretariat.

File No. of 190

Serial No.

Mr. Mundy entered last night &c, and in short gave us all further advance should be stopped. He tried to take advantage of the removal of the embargo once granted upon me & mortgage the crop [illegible] to permit payment. Mr. Mundy also may little chance of enforcing this position.

A. Mundy
15/9/04
-16

Note—Contn. sheet.

MGCPB-10 000—19-5-01

General and Revenue Secretariat. | File No. of 190

Serial No.

I defer to the Dewan's opinion that this is a Council matter since the affairs of this Bank had come before the Council on certain previous occasions.

2. It is deplorable that this beneficient measure has under circumstances mostly unforeseen and unavoidable turned out a complete fiasco. Government came to the aid of the Native planters of Saklespur when they were in great distress. All went well for a short time. Then came bad seasons, poor crops and low prices, and to these may perhaps be added improvidence and recklessness which aggravated the situation. Further relief was ungrudgingly and liberally given and yet matters have gone from bad to worse. The Bank is no longer the co-operative credit society which it was intended to be. In the interests alike of its members and of the Government, an immediate dissolution of the Bank is desirable, the present joint and several liability being converted into individual liability and the neces-

MGCPB—10,000—19-5-04

Serial No.

necessary documents being obtained with such security as might be forthcoming. I believe the more solvent of the members would rejoice at this. In regard to the others who may not be agreeable, early proceedings must be taken to recover from their estates as much of the debt due as possible, the irrecoverable balance being written off the accounts. This extreme step, though regrettable, is unfortunately the only one which seems possible. After the conversion above mentioned, further deterioration of the estates and further helplessness on the part of the persons concerned should be prevented by the grant of timely reasonable advances under proper safegaurds on the security of the crop. The members have ~~altogether~~ all of them lost credit in the market and a refusal to give them this help until they could rehabilitate themselves would practically result both in their own ruin and in the loss of Government money. In fact, it is a case of Hobson's choice, since there is no alternative. If any modification of our Takkavi

General and Revenue Secretariat. | File No. of 190

Serial No.

Takkavi Rules has to be made so as to adapt them to the circumstances of this case, the needful action must be taken as quickly as possible.

3. Judging from our past bitter experience, it appears to me clear that further temporizing is not likely to lead to any beneficial results, but that on the contrary, it would be as suicidal to the members of the Bank as to the Government.

4. Under the proposed arrangements, there is yet some hope of an early retrieval of the disaster which has overtaken the members of the Bank and which threatens the Government with the loss of a considerable sum of money.

C. Sreenivasaraghava
2/10/04.

MGCPB—10,000—19-5-03

G.R.S. 12]

General and Revenue Secretariat.

File No. of 190

Serial No.

GOVERNMENT OF MYSORE

26/10/04

My dear Sir,

Herewith a few further notes on the Budget of Coffee Branch.

Yours Very Sincerely,
C Seetharamaiya

NOTE—Contn. sheet.

MGCPB—20,000—1-11-04.

Coffee Banks.

The several officers who took part in the Conference of the 19th. Instant and to whom I circulated a copy of my note of the 23rd December have sent me the following remarks:-

Mr. T. Ananda Rao:

" I return the enclosed note and beg to add that
" it has my entire concurrence."

Mr. M. Narain Rao:

" I return your note on Coffee Banks and beg
" to add that so long as the Coffee Planters are
" indebted to Government, we should have a hold
" on their crops, whether they take advances for
" working expenses from Government or not. It is
" very important that the instalment payable to
" Government should be a first charge on the
" crops."

Mr. D. Devaraj Urs:

" In returning herewith your notes, I beg to say
" that I fully concur with your views."

Messrs Wetherall and Pilkington:

" Para (2) states that members found difficulty
" in borrowing money on hypothecation of crops in
" the open market in previous years.
" It may be noted that it would be still more
" difficult to do so now that the liability of
" the individual has increased and his additional
" property is hypothecated to the Bank for the
" subsequent loans for working expenses.
" Para (3). Loans in the open Market being almost

" certainly unobtainable -

" (a) 'Instalment" might take the form of

" 'Mortgage with possession.'

" (b) 'Fixed annual payments' is unworkable. A

" good fruit crop is almost invariably followed

" by a poor one. Payments should therefore be

" regulated by crops and prices, and the whole of

" the balance remaining, after repayment of the

" cost of upkeep, should be devoted to the reduc-

" tion of the debt.

" (c) '1 to 20 years' appears too long. If a

" shorter time is fixed, it can if advisable be

" extended hereafter.

" (d) 'Raising money by hypothecation of crops'as

" shewn above is probably impossible.

" I may state that Saldanha and Sons and Pierce

" Leslie and Co. absolutely refuse to open new

" accounts with native coffee planters. I

" believe Morgan & Sons think the same.

" If these firms refuse, the Members are driven

" to deal with the sowcar at 15 or 20 %.

" Further the principle is wrong. The firm

" making the advance has no interest in the up-

" keep of the Estate; but is entirely concerned

" with recovering its loan at the close of that

" year. The Member thus pressed may neglect

" cultivation, and allow his Estate to deteriorate

" and Government security will be weakened.

" The buying in by Government of those Estates

" that must be sold at a reserve price seems the

" only possible course.

" I doubt the expediency of supervision by neigh-

" bouring planters. I believe it will be cheaper

" to work such estates with Writers or Mudsadis

" under one Manager."

2. Mr. C.Sreenivasa Rao of Chikmaglur tells me that several members including himself, though not signotories to the petition addressed to the Deputy Commissioner of Kadur, are also anxious that the present joint and several liability should as early as possible be converted into individual liability. He further complains that, owing to the salary paid to Mr. Pilkington, the interest on advances amounts to as much as 18 to 20 per cent.

C. Sreenivasa Rao

26/10/04

C 429

GENERAL AND REVENUE SECRETARIAT.

Matter for Council Meeting to be held on

at

Subject.

Whether the whole of the loan advanced to the Sakleshpur Agricultural Bank, should be recovered at once, on the ground that the Bank is not in a Solvent Condition and that there is risk in Continuing the loan.

Circulated to Councillors.

By Order,

Secretary.

10. 9. 1904

16.9.1904

1. C. Sreenivasaraingar Esqr. Seen. I am not sure that this is a Council (Schedule) matter. I reserve my opinion for the meeting. C 17-9-04.
Third Councillor

16.9.1904

2. Rao Bahadur
C. Madiah Esqr.
Second Councillor.

10-9-04

opinion recorded
15/9/04

In Council
17.9.1904

G. R. S. 17

1179

Copies received & filed
returned to Secy.

Greenwood

3/1904.

17. X 04

My dear Stevens & Co

Have not yet
sent up the town &
received a bad stroke
from Bowles & His Highness
I wanted to know the
latest value of the trophy
of each of the members
& this I have not yet. Yester-
-day I received also
the enclosed from Mr
Pickering who thinks
there are six cups today.
Mr Wetherell & Mr Hargr

Rai are also here with
Mr Devanagam. I have
just obtained by your
kindly counsel all
them matters and this evening
the whole situation should
decide upon a plan of
action. I know I am
giving you trouble but
but my justification
is that I am very busy
just now. Perhaps
you can call this evening
Come when convenient

Thank you for your letter
this morning. I am very glad
that you will be coming
and we must come
to a decision - We have
not done this before. I
made the file with the
papers and brought it
back from London.

Yours very sincerely
Ursula Franklin

[illegible]

GOVERNMENT OF MYSORE

23/10/04

My dear Sir,

Herewith I return the Cotton Boards' File with a note of the views expressed at the Conference held on the 19th instant.

Yours very truly,

C. Rangachariar